

Horizon of green jobs: reporting back from the UN Environment Assembly, Nairobi

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Tradables and non-tradables

Classical View: economic transformation led by tradables (e.g. export oriented manufacturing) ; limited trickle down

Tradable sectors:

exposed to international trade, global competition and learning, dynamic efficiency and increasing returns

Non-tradable sectors:

not exposed to trade/competition, low learning, static efficiency and low returns

Attention: no externalities, no explicit boundary considerations (e.g. GHG or resources)

Non-tradables are becoming “dynamic” with “Greening opportunities”

Example: Africa’s Green Industrialization Initiative (AGII) 2023 by Kenya

Pillar one: globally competitive goods and services

Energy molecules (e.g., green hydrogen, ammonia, clean energy, green data centres)

Green products and services (e.g., beneficiated minerals, solar panels, green leather, carbon credits)

Pillar two: greening the local economy

Decarbonizing existing production (e.g., decarbonized steel / cement, sustainable agriculture)

Establishing new green sectors (e.g., e-mobility, green construction materials, waste management)

Non tradables:
a new
“comparative
advantage” for
green jobs

UNEA: “Triple Planetary Crisis”

(Climate Change, Nature and Biodiversity, Pollution)

Global Resources Outlook 2024: from “limits to growth” to “growth of limits”

If externalities are internalized in pricing/valuation:

Examples:

Ecosystem services in India 90.5 BUSD/yr (IFPRI)


















Resilience 7-8 % of GDP in Angola, Tanzania, Zambia (UNDRR)

If resource boundaries are reflected in pricing/valuation:

Examples:


Carbon credit investment flow : 1.2 BUSD in 2022 (WEF)


Nature credit potential: 9.8 TrUSD? (McKinsey)

																	
Climate Action by Sector	1. No Poverty	2. Zero Hunger	3. Good Health and Well-being	4. Quality Education	5. Gender Equality	6. Clean Water and Sanitation	7. Affordable and Clean Energy	8. Decent Work and Economic Growth	9. Industry, Innovation and Infrastructure	10. Reduced Inequalities	11. Sustainable Cities and Communities	12. Responsible Consumption and Production	13. Climate Action	14. Life Below Water	15. Life and Land	16. Peace, Justice and Strong Institutions	17. Partnerships for the Goals
Urban and Regional Development	Yellow	Yellow	Green	Green	Green	Green	Green	Green	Green	Yellow	Green	Green	Green	Yellow	Green	Green	Green
Transportation	Green	Green	Yellow	Green	Green	White	Green	Yellow	Green	Yellow	Green	Green	Green	Yellow	Green	White	Green
Energy and Mining	Yellow	Yellow	Green	Green	Green	Yellow	Green	Green	Green	Yellow	Green	Green	Green	Yellow	Green	Green	Green
Private Sector Development	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Yellow	Green	White	Green
Agricultural and Rural Development	Yellow	Yellow	Yellow	Green	Green	Green	Yellow	Yellow	Green	Yellow	White	Yellow	Green	Yellow	Green	Green	Green
Health	Green	White	Green	White	Green	Yellow	Green	Green	Green	Green	Green	Green	White	Green	White	White	Green
Improving Nutrition	Green	Green	Green	White	White	Green	Green	Yellow	Green	Green	White	White	Green	Green	Green	White	Green
Education	Yellow	Green	Green	Green	Green	Yellow	Green	Green	Green	Green	Yellow	Green	Green	Green	Green	Green	Green
Social Security / Disability and Development	Green	Green	Green	Green	Green	White	White	Green	White	Green	Green	White	Green	White	White	Green	Green
Sport and Development	Yellow	White	Green	Green	Green	Yellow	Green	Green	Green	White	Green	Yellow	Green	White	Green	Green	Green
Governance	Green	Green	White	White	Yellow	White	Green	Yellow	Green	Green	White	Green	Green	Yellow	Green	Yellow	Green
Public Finance and Financial Systems	Yellow	Yellow	Green	Green	Green	Green	Green	Green	Green	Yellow	Green	Green	Green	Yellow	Green	Green	Green
Gender and Development	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Yellow	Green	White	Green
Digital for Development	Green	White	Green	Green	Green	White	Yellow	Green	Green	Green	Green	White	Green	White	White	Green	Green
Water Resources and Water Supply	Yellow	Yellow	Green	Green	Green	Green	Green	Green	Green	Yellow	Green	Green	Green	Yellow	Green	Green	Green
Environmental Management	Yellow	Green	Yellow	White	Green	Green	Green	Yellow	Green	Yellow	Green	Green	Green	Green	Green	Green	Green
Natural Environment Conservation	Yellow	Yellow	Green	Green	Green	Green	Green	Green	Green	Yellow	White	Green	Green	Yellow	Green	Green	Green
Disaster Risk Reduction	Green	Green	Yellow	Green	Green	Green	Green	Green	Green	Green	Green	Green	Yellow	Green	Green	Green	Green

Analysis of Synergies and Tradeoffs

- JICA climate actions has **great potential of Synergies**
- Tradeoffs can be minimized by existing Guidelines
- Synergies and Tradeoff relationship are **context specific**
- There are still **challenges on how to harness synergies and minimize tradeoffs**

 Synergy

 Synergy and Tradeoff

JICA's capacity,
institution
building and
finance are all
the more
important



Pricing/valuing externalities and resource boundaries



Through taxes and subsidies? Regulations?



Through innovative projects with max synergies and min tradeoffs?



Through sustainability/ impact investments?



Through carbon/nature credit markets?